

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:

**04-14**

2. STATE

**Louisiana**

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

**July 1, 2004**

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

**42 CFR 447 Subpart C**

7. FEDERAL BUDGET IMPACT:

a. FFY **2004**

**\$1,862.80**

b. FFY **2005**

**\$7,445.27**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

**Attachment 4.19-D, Page 11.a.**

9. PAGE NUMBER OF THE SUPERSEDED PLAN  
SECTION OR ATTACHMENT (If Applicable):

**Same (TN 03-39)**

10. SUBJECT OF AMENDMENT: **The purpose of this amendment is to increase the reimbursement paid to private ICF/MR facilities.**

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

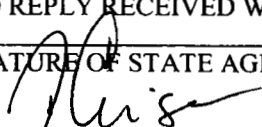
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

**The Governor does not review state plan material.**

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:

**Frederick P. Cerise, M.D., M.P.H.**

14. TITLE:

**Secretary**

15. DATE SUBMITTED:

**July 21, 2004**

16. RETURN TO:

**State of Louisiana**

**Department of Health and Hospitals**

**1201 Capitol Access Road**

**PO Box 91030**

**Baton Rouge, LA 70821-9030**

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

**JUL 26 2004**

18. DATE APPROVED:

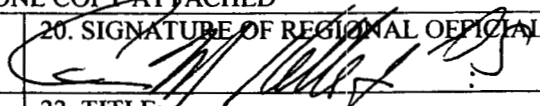
**AUG - 3 2004**

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

**JUL - 1 2004**

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPED NAME:

**Carmen Keller**

22. TITLE:

**Deputy Director, CMSO**

23. REMARKS:

STATE OF LOUISIANA

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2. Quasi-public facilities are reimbursed a facility specific prospective rate based on budgeted costs. Providers submit a projected budget for the state fiscal year beginning July 1. Rates are determined as follows:
  - a. Determine each ICF/MR's per diem for the base year beginning July 1.
  - b. Calculate the inflation factor using an average CPI index applied to each facility's per diem for the base year to determine the inflated per diem.
  - c. Calculate the median per diem for the facilities' base year.
  - d. Calculate the facility's routine cost per diem for the SFY beginning July 1 by using the lowest of the budgeted, inflated, or median per diem rates plus any additional allowances.
  - e. Calculate the final approved per diem rate for each facility by adding routine costs plus any "pass through" amounts for ancillary services, provider fees, and grant expenses.
  - f. Providers may request a final rate adjustment subject to submission of supportive documentation and approval by the DHH rate committee.

D. REIMBURSEMENT TO PRIVATE ICF/MR PROVIDERS

Private providers are reimbursed based upon a flat prospective rate by Capacity/LOC grouping. Effective for dates of service on or after October 1, 2003, reimbursements shall be 98.8 percent (a 1.2 percent reduction) of the per diem rates in effect on September 30, 2003.

Effective for dates of service on or after July 1, 2004, the reimbursement paid to private ICF/MR providers will be increased by 4 percent of the per diem rates in effect on June 30, 2004, net of the provider fees.

1. Cost Determination Definitions
  - a. CPI - All Items - The Consumer Price Index (CPI) for all Urban Consumers-South Region (All Items line) for December as published by the United States Department of Labor.
  - b. Economic Adjustment Factor - The CPI All Items Factor is computed by dividing the value of the corresponding Index for December of the year preceding the Rate year by the value of the Index one year earlier (December of the 2nd preceding year).

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TN# 04-14  
Supersedes  
TN# 03-39

Approval Date AUG - 3 2004

Effective Date JUL - 1 2004